

Board of Commissioners
Chair Ed Wolfe
Vice Chair Rob Putaansuu
Becky Erickson
Charlotte Garrido
Robert Gelder
Danielle Murphy
Val Tollefson
Executive Director
Stuart Grogan



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HOUSING KITSAP BOARD OF COMMISSIONERS
WORK STUDY
OCTOBER 17, 2017
MINUTES

Board in Attendance: Kitsap County Commissioner Ed Wolfe(Chair), Mayor of City of Poulsbo Becky Erickson, Kitsap County Commissioner Charlotte Garrido, Kitsap County Commissioner Rob Gelder, City of Bainbridge Island Council Member Val Tollefson.

Attending Staff: Executive Director Stuart Grogan, Chief Financial Officer Wendy Dutenhoeffer, Self-Help Program Director Dean Nail, Director of Real Estate Management and Housing Programs Holly Paterson, Administrative Support Assistant Kathleen Fritz

Absent: Mayor of City of Port Orchard Rob Putaansuu (Vice Chair), Resident Commissioner Danielle Murphy, Project Manager of Affordable Housing Development Mike Brown.

1. Call to Order:

Chair Wolfe called the meeting to order at approximately 10:51 a.m.

2. Review of the proposed agenda:

No comment.

3. Meeting Minutes:

The September Work Study meeting minutes were approved by consensus.

4. Board questions and discussion regarding the Program Updates:

Stuart announced that the Tractor Supply agreement has been approved by all neighboring property owners within the Bucklin Hill complex, and that Tractor Supply will more than likely move into the old Albertson's space. Chair Wolfe asked for a brief summary of the recent activities, inquiring about previous complications. Stuart stated that Tractor Supply was requesting to obtain use of a substantial amount of the parking lot space for their product displays, such as their tractors. This would impact neighboring owner's parking space, reducing it greatly. The owners were not in favor of the loss of parking, and provided an alternative proposal which moved the Tractor Supply displays to the center of the parking lot, verse along the side of the parking lot facing Bucklin Hill Road. Stuart stated that Housing Kitsap's (HK) share of the parking lot space will not be affected, however, it will slightly impact the broader shopping area parking. With Tractor Supply acquiring the old Albertson's space, it will slightly reduce HK's share of monthly maintenance cost.

5. Affirmatively Further Fair Housing (AFFH):

Stuart referred to information provided in the Work Study packet, stating that the Department of Housing and Urban Development (HUD) published a new set of requirements, requiring all local jurisdictions and housing authorities to establish a new planning and analysis process. Stuart mentioned that this is just the beginning of the process, and final action is not anticipated until early 2018.

6. Budget discussion:

Wendy reported her team continues to work on the budget, she is hoping to have a rough draft form of the budget available to present at the November Work Study session and address any updates so that a final budget can be presented for approval at the December meeting.

Wendy updated the Board regarding continued issues with Tenmast, stating that HK recently sent Tenmast a letter of nonconformance to the contract. Wendy stated that HK is still unable to validate all of the tenant rents; they were never corrected in the system, resulting in HK not being able to submit TRACS, vouchers received through HUD. This has caused HK to be penalized with late fees and loss of funding. Wendy stated that she spoke with the Tenmast CEO, advising him of the problems, as well as consulted with HK legal prior to sending the nonconformance letter.

Wendy stated that there was some success with the software in the last week. Holly's team was able to get TRACS submitted for the Heritage and Viewmont properties. However, there is still a long list of issues in relation to certification processes and rents. She stated that HK continues to work with Tenmast to get the information corrected, however the ongoing issues are causing problems agency wide. One of the issues is that HK is still unable to verify deposits, which is causing HK to not be able to verify available funds.

Commissioner Tollefson inquired about Tenmast, asking Wendy to provide some history on the company. Wendy advised that they are an established company, in business for the last 18-20 years. They also provide services for King County as well.

Chair Wolfe voiced his concerns regarding the forward progression of this project, and asked Wendy how HK planned to move forward. Wendy advised that Holly communicates with Tenmast daily, she speaks with the Tenmast CEO herself, at least twice a week, and weekly team meetings are held to address issues and concerns. In addition, she stated that in the letter of nonconformance sent to Tenmast, HK requested a new project manager.

Commissioner Erickson suggested Wendy consult with King County and see if they can give any recommendations or suggest a consultant that can assist HK with this conversion. Stating that it would be beneficial for HK to consult with someone who has dealt with the software, mentioning that HK is relatively short-staffed for a conversion like this, at this time. Wendy agreed, and stated that she's had conversations with staff and it is agreed that it would be helpful to hire a consultant.

7. Heritage, Viewmont, Liberty Bay 16 Year Exits:

Stuart introduced the Board to Lisa Glaeser, Finance Project Manager, who has been working on the project. Stuart referred to the information provided in the Work Study packet. He stated that at the November Board meeting, the Board can expect to see further information including resolutions and draft documents that further describe the process, and request authority to exit the partnerships.

8. Prosperity Place:

Dean stated HK has made a lot of progress with the project. He reported at this time he is waiting on one easement to be resolved and one remaining lien is still to be cleared; when resolved, the seller will have met all of his conditions and he hopes to close on the property soon.

9. Rental Assistance Demonstration (RAD) discussion:

Stuart reported that, per the recommendation of the Board at the last meeting, he did reach out to Yakima to get a copy of their predevelopment expenses. He stated that Mike Brown, Project Manager of Affordable Housing Development, continues to work on the preliminary budget that he presented at the last meeting. Stuart provided a handout to the Board, regarding his recent contact with five local banks that could possibly provide the type of financing needed for this project. He continues to explore options, and hopes to have additional information to present at the next meeting.

10. Adjournment:

The Board of Commissioners Work Study meeting was adjourned at approximately 11:39 a.m.

ATTEST:

ATTEST:



STUART GROGAN
Executive Director



KATHLEEN FRITZ
Administrative Support Assistant



Date Approved